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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1954.

No. 495

CENTRAL MINE EQUIPMENT COMPANY,
Petitioner,

v.

THE BOWDIL COMPANY,
Respondent.

PETITION FOR WRIT OF CERTIORARI

To the United States Court of Appeals for the Eighth Circuit.

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To the United States Court of Appeals for the Eighth Circuit.

To the Honorable, The Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioner, Central Mine Equipment Company, respectfully prays for writ of certiorari to the United States Court of Appeals for the Eighth Circuit to review the judgment appearing on page 127* of the certified transcript of record filed herewith.

The opinion of the Court of Appeals is reported at 216 F. (2d) 156, and is reproduced as Appendix A hereto. While the District Court rendered no opinion, its Findings

* The record page numbers herein referred to are those which are imprinted in red at the top of the pages of the certified and uncertified copies of the record filed herewith.

of Fact, Conclusions of Law and the Order, from which Respondent appealed, are reproduced as Appendix B hereto.

JURISDICTION.

The judgment of the Court of Appeals was dated October 29, 1954. Petition for Rehearing (R. 133) was filed November 17, 1954, and was denied November 30, 1954 (R. 149). The jurisdiction of this Court is invoked under Sec. 1254 (1) of Title 28, U. S. Code.

QUESTIONS PRESENTED.

1. Where one has been enjoined from making and selling things having the "general appearance—exemplified by figures 1, 2 and 3 in the drawing" of the adverse party's patent; does not

(a) the expiration of the patent,

(b) commercial abandonment by the patent owner of the thing shown in said patent,

(c) both (a) and (b),

constitute sufficient reason for modification of the injunction?

2. Is it not contrary to public policy to maintain in force an injunction which implements a litigation-settlement wherein, as a condition of such settlement, the enjoined party was compelled to agree "to get out and stay out of the . . . business"—particularly where the agreement is broader than the injunction?

CONSTITUTIONAL PROVISIONS, ETC., RELIED UPON.

Constitution of the United States, Art. 1, Sec. 8:

"The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for

limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

U. S. Code, Title 35, Section 154:

"Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, for the term of seventeen years, of the right to exclude others from making, using, or selling the invention throughout the United States, referring to the specification for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof."

U. S. Code, Title 15, Section 1127:

"A mark shall be deemed to be 'abandoned'—

"(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie abandonment.

"(b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin."

Federal Rules of Civil Procedure:

"60-b. On motion and upon such terms as are just, the court may relieve a party or his legal representative from a final judgment, order, or proceeding for the following reasons: . . . (5) . . . it is no longer equitable that the judgment should have prospective application; or (6) any other reason justifying relief from the operation of the judgment."

STATEMENT.

In 1942, Petitioner was enjoined (R. 19) from making and selling coal cutting bits having the "general appearance . . . exemplified by figures 1, 2, and 3" of Respondent's Patent No. 1,677,950 (R. 75). The patent expired in 1945.

On January 8, 1953, Petitioner filed in the District Court a motion (R. 24) to so modify the said injunction as to permit Petitioner to make and sell bits as disclosed in said patent. On September 30, 1953, the District Court made Findings of Fact and Conclusions of Law and entered an order modifying the said injunction as prayed by Petitioner (R. 42-43). The Court of Appeals has adjudged that said order modifying the injunction be vacated (R. 127).

The complaint (R. 1) was originally filed by Respondent against Petitioner on October 26, 1939. It charged Petitioner with contributory infringement of Respondent's patent and with unfair competition. Petitioner was at that time competing with Respondent in the sale of coal cutting bits which differed from that shown in Respondent's patent, in that the bits being sold by Petitioner had flat longitudinal bands on their sides (R. 96-97)—a feature which Respondent had registered (R. 83) as its trademark. On December 5, 1942, the District Court entered an interlocutory decree (R. 18) dismissing the patent infringement aspect of Respondent's complaint, but enjoining petitioner, not only from making and selling the "regular diamond"* shaped bits shown in Respondent's trade-mark registration, but also from making and selling the "true or pure diamond" shaped bit as shown in Respondent's patent (a shape which Petitioner had never

* In the record, the bits with the flat side bands (as shown in Respondent's trade-mark registration No. 338,952 [R. 83]) are called "regular diamond" shaped to contra-distinguish from the bits shown in the patent which are denominated "true or pure diamond" shaped.

made) for the reason that said shapes were held to have acquired "secondary meaning." On January 19, 1943, the parties, having agreed upon a settlement, filed a Stipulation (R. 21) pursuant to which the Final Decree (R. 23) was entered.

Petitioner now seeks to be relieved from that part of the injunction [Sec. 10 (a), R. 19] which restrained it from making and selling the "true or pure diamond" shaped bit as shown and described in the now-expired patent.

Petitioner based its prayer for modification of the injunction upon the fact that the bit of the patent is now in the public domain and, as a member of the public, Petitioner is entitled not only to enjoy the benefits thereof, but to contribute to the fuller enjoyment by the consuming public of the free use of the patent's disclosures. The bit in question was in the public domain, not alone because the patent had expired, but because any previously supposed secondary meaning in the general appearance of that bit had vanished. The latter follows from the fact that Respondent has made no commercial use of the bit shown in the patent for more than ten years (R. 31). In fact, in 1952 Respondent was advertising (R. 65) that bits of its manufacture could be recognized by either of two trademarks, to-wit: (1) the name "BOWDIL"; (2) the flat side bands.

At the hearing before the District Court on Petitioner's motion to modify the injunction, Respondent for the first time revealed (R. 33) that the settlement (which led to the entry of the final decree) involved, inter alia, an agreement whereby Petitioner was "to get out of the coal mining bit business and to stay out, or words to that effect" (R. 33). Since that agreement extended not merely to the enjoined bits but to all coal mining bits, it went beyond the bounds of Respondent's legal monopoly. This

is an additional reason why it is inequitable to continue the original injunction in full force and effect.

While the Court of Appeals has vacated the District Court's order modifying the injunction

> "without prejudice to the power of the District Court hereafter to modify its injunction if the defendant shall show that it can and will market the bits it proposes to make and sell in competition with the plaintiff so marked as to eliminate all danger of the deception of purchasers and the infringement of plaintiff's trade-mark rights."

it has so tied the hands of the District Court that, as a practical matter, it may as well have been with prejudice. That for the reason, as pointed out in the Petition for Rehearing (R. 107-9), that the above quoted language of the Court of Appeals is open to the interpretation that individual bit marking rather than carton marking is required; yet it is not commercially feasible to individually mark bits of the "pure or true diamond" shape shown in the expired patent. Since Petitioner has never sold a "pure or true diamond" bit, there has been no commercial experience on which to base a suspicion that the customary carton marking would not be adequate.

REASONS RELIED UPON FOR THE ALLOWANCE OF THE WRIT.

I.

The Eighth Circuit Court of Appeals has decided an important federal question in a way probably in conflict with the applicable decisions of this Court.

Scott Paper Co. v. Marcalus Mfg. Co., 326 U. S. 249;
Kellogg Co. v. National Biscuit Co., 305 U. S. 91;
Singer Mfg. Co. v. June Mfg. Co., 163 U. S. 169.

In Scott v. Marcalus, supra, this Court unequivocally held that neither estoppel, nor good will built up by the patentee in the patented article, nor any trade-mark right, could operate to deprive the public of the benefits of the free use of the whole disclosure of an expired patent. The Court explained at length (see quotations in Appendix C hereto) the aims, purposes, and benefits of the patent laws, and particularly pointed out that the consuming public is entitled, after the expiration of a patent, to the benefits of "unrestricted exploitation" of the patent's disclosure by persons other than the patentee; and summarized its views thus:

> "The public has invested in such free use by the grant of a monopoly to the patentee for a limited time. Hence any attempted reservation or continuation in the patentee or those claiming under him of the patent monopoly, after the patent expires, **whatever the legal device employed,*** runs counter to the policy and purpose of the patent laws . . . By the force of the patent laws not only is the invention of a patent dedicated to the public upon its expiration but the public thereby becomes entitled to share in the good will which the patentee has built up in the patented article or product through the enjoyment of his patent monopoly."

"Whatever the legal device employed" would seem clearly to include an injunction. If so, the decision of the Court of Appeals is in sharp conflict with this Court's decision in the Scott v. Marcalus case. Otherwise, it is important that this Court make clear that there is an exception to what it seems to have said in the Scott v. Marcalus case; and that, contrary to what it did say in the Scott v. Marcalus case, there is in fact a "legal device" by which a patentee can acquire a perpetual monopoly over the disclosure of his patent.

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* Emphasis added.

II.

It is important that this Court make clear whether it meant what it said in Scott v. Marcalus, supra, because there is an evident tendency to ignore the doctrine of that case. In high administrative places it has been called "obiter dictum" and held to be without "binding effect".

At the oral argument in the Court of Appeals, Respondent's counsel questioned whether this Court really meant what it said in the Scott v. Marcalus case; and called attention to a recent decision of the Assistant Commissioner of Patents wherein passages from the Scott case, most pertinent here, were called "obiter dictum". It was in Ex parte Caron Corporation, 100 USPQ 356, 359, that the Assistant Commissioner of Patents said:

> "Scott Paper Company v. Marcalus Mfg. Co., Inc., 67 USPQ 193 (S. Ct. 1945), involved infringement of a mechanical patent, and neither questions of unfair competition nor trade mark questions were presented. In disposing of the patent infringement questions, the majority of the Court, by way of obiter dictum, stated (67 USPQ, at 196-197): 'Hence we have held that the patentee may not exclude the public from participating in that good will (built up by the patentee in the patented article) or secure, to any extent, a continuation of his monopoly by resorting to the trade mark law and registering as a trade mark any particular descriptive matter appearing in the specifications, drawings or claims of the expired patent, whether or not such matter describes essential elements of that invention or claims.' It does not appear that the **obiter dictum** has any **binding effect** upon the question in the present case." (Emphasis added.)

Perhaps that is the reason why, despite our heavy reliance upon it in brief and oral argument, the opinion of the

Court of Appeals gives the Scott v. Marcalus case the silent treatment.

The tendency to ignore the doctrine of the Scott v. Marcalus case seems further to be illustrated by Detroit Stamping Co. v. West Point Mfg. Co., 122 F. Supp. 741, where the District Court for the Eastern District of Michigan enjoined the defendant from making and selling "an exact reproduction" of the plaintiff's expired patent—again without reference to the Scott v. Marcalus case.

It is important to the public at large that this Court make clear whether it meant what it said in Scott v. Marcalus. While this Court's summarization in Scott v. Marcalus of the doctrine of Singer Mfg. Co. v. June Mfg. Co., supra, and Kellogg Co. v. National Biscuit Co., supra, seems clear enough to us, the need for restatement is illustrated by the following paragraph from the decision of Ex parte Caron, supra:

> "Turning now to the cases* relied upon by the examiner, we find some clear statements of principle, some dicta, and some paraphrasing of language of earlier cases by tribunals deciding subsequent cases—the combination of which presents a situation which can hardly be characterized as 'crystal clear.'" (100 USPQ, p. 359)

III.

The Eighth Circuit Court of Appeals has decided an important question of federal law which has not been and should be settled by this Court, to wit: what showing is required to warrant modification of a perpetual injunction in trade-mark cases?

While, in U. S. v. Swift and Company, 286 U. S. 106, this Court laid down the general conditions which govern

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* Scott Paper Co. v. Marcalus Mfg. Co., 326 U. S. 249, and Kellogg Co. v. National Biscuit Co., 305 U. S. 111, were among the cases relied upon by the examiner.

modification of existing injunctions, and while Rule 60b of the Federal Rules of Civil Procedure does likewise, this Court has never considered the question from the standpoint of trade-mark cases. In this respect, trade-mark cases are sui generis because trade-mark rights, whether in names, or words, or colors, or appearance, are dependent upon user.

> "It results from the general principles thus far discussed that trade-mark rights, like others that rest in user, may be lost by abandonment, nonuser, laches, or acquiescence." Hanover Milling Co. v. Metcalf, 240 U. S. 403, 418-419.

and by statute (Title 15, U. S. Code, Sec. 45):

> "Nonuse for two consecutive years shall be prima facie abandonment."

There is nothing in the record to rebut the prima facie abandonment which resulted from Respondent's discontinuance of all commercial use of the so-called "pure diamond" bits (as shown in the patent). How can "secondary meaning" survive abandonment of ten years' duration? The Court of Appeals' answer to that question is that Respondent was selling other bits which were designed for "doing the same work in the same way", and that "all bits which were adapted to fit the bit holders of the chain would be virtually indistinguishable with respect to their origin because of comparatively slight differences in shape". But to say that because the two bits have the same utilitarian function, their origin may be confused, is a contradiction not only of Respondent's declared position (R. 45, 141, 142), but also of the fundamental law that secondary meaning rights cannot operate to perpetuate a monopoly over the subject matter of the claimant's own patent. Among all the decided cases concerning secondary meaning rights, we have found no precedent for the application of the doctrine of equivalents

to a case of this type, as the Court of Appeals has done. If merely because a secondary meaning has attached to one specific shape of a thing, no one else can make and sell a thing having the same function but of different specific shape, the Eighth Circuit Court of Appeals has become the legal architect of a monopoly which has all the scope of a patent right but without its limit as to duration, and which, unlike a trade-mark right, seemingly cannot be lost by abandonment. Hence the Court of Appeals has established a dangerous precedent, and public interest should impel this Court to review it.

IV.

The case presents to the Court for the first time the trade-mark counterpart of the misuse situation which the Court considered in Mercoid Corporation v. Mid-Continental Co., 320 U. S. 661, and the cases there cited, where a patent monopoly had been used to create another monopoly.

Respondent used its trade-mark rights, as confirmed in the interlocutory decree dated December 5, 1942 (R. 18), to compel Petitioner "to get out of the coal mining bit business and to stay out" (R. 33). Assuming that Respondent had a legal right to keep Petitioner out of the business of making and selling bits of the type enjoined, Respondent had no right to exclude Petitioner from business in other types of coal mining bits. Respondent thus obtained, by contract, a monopoly beyond that which could have been obtained by patent or trade-mark.

While the Court of Appeals did not, in its opinion, mention this proposition, by adjudging that the order modifying the injunction herein should be vacated, it implicitly put its imprimatur upon Respondent's use of a legal monopoly to create an illegal one.

While this Court has never considered a case involving such misuse of a trade-mark monopoly, it has said:

> "A trade-mark cannot be legally used as a device for Sherman Act violation. Indeed, the Trade-Mark Act of 1946 itself penalizes use of a mark 'to violate the Anti-Trust Laws of the United States' " (Timken Co. v. U. S., 341 U. S. 593, 599).

and footnoted the above quotation as follows:

> "The reason for the penalty provision was that 'trade-marks have been misused' ". 341 U. S. 599.

Since misuse of trade-marks is not peculiar to this case, the matter is of such public importance as to deserve the Court's consideration.

PRAYER.

Wherefore, your petitioner respectfully prays that a Writ of Certiorari be issued to the United States Court of Appeals for the Eighth Circuit to the end that this cause may be reviewed and determined by this Court, and that the decree of the Circuit Court of Appeals be reversed, and that the Order of the District Court be affirmed.

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JOHN H. BRUNINGA,
Of Counsel.

APPENDIX A.

United States Court of Appeals
For the Eighth Circuit.

No. 15,076.

The Bowdil Company, Appellant, vs. Central Mine Equipment Company, Appellee.	Appeal from the United States District Court for the Eastern District of Missouri.

[October 28, 1954.]

Bruce B. Krost (Thompson, Mitchell, Thompson & Douglas, John O. Hichew, and Woodling and Krost were with him on the brief), for Appellant.

John H. Sutherland (Philip B. Polster was with him on the brief), for Appellee.

Before Sanborn, Johnsen and Collet, Circuit Judges.

Sanborn, Circuit Judge.

This is an appeal from an order entered September 30 1953, modifying a decree entered December 5, 1942, which restrained the appellee from competing unfairly with the appellant and from infringing its trade-mark rights.

The Bowdil Company, of Canton, Ohio, a manufacturer of mining machines having cutting chains with replaceable bits, brought this action in 1939 against the Central Mine Equipment Company, of St. Louis, Missouri, charging it with patent infringement, trade-mark infringement, and unfair competition. The issues raised were whether the manufacture and sale by the defendant (appellee) of cutting bits for use in the mining machine made and sold by the plaintiff (appellant) infringed the plaintiff's patent rights and trade-mark rights and constituted unfair competition.

The case was tried in June, 1941. The District Court decided that the cutting bit shown in United States Letters Patent No. 1,677,950, owned by the plaintiff, was not covered by the claims of the patent, and that the defendant was not a contributory infringer of the patent. The court, however, concluded that the cutting bits made and sold by the defendant infringed the plaintiff's trade-marks and were deceptively similar to the bits made and sold by the plaintiff for use in its machine, and that its bits had acquired a secondary meaning.

The District Court found:

"16. The defendant, since December, 1937, has manufactured and sold, in competition with the plaintiff, cutting bits having the same general appearance as the cutting bits of the plaintiff and have appropriated the plaintiff's secondary meaning attached to said cutting bits, and has, since December, 1937, manufactured and sold cutting bits which are a slavish copy of the cutting bits which the public has come to accept as 'Bowdil' bits, that is, bits manufactured and sold by the plaintiff, and has unfairly competed with the plaintiff in the sale of said bits in the trade. The purchasers and users of said bits were and are likely to be deceived and confused by the similarity in appearance of the defendant's bits with the plaintiff's bits. Moreover, there

have occurred cases of actual deception of, and confusion by, users of the bits in that they believed that they were using plaintiff's bits when in fact they were using defendant's bits. The said acts of the defendant constitute a case of blatant unfair competition causing actual deception of the public and confusion in the trade and likely to cause, and probably will cause, deception of the public and confusion in the trade. It is not demonstrated that the bit in its entirety had to be copied upon the unaccepted theory advanced by the defendant that every feature thereof is a mechanical or functional one. The defendant made no effort to distinguish its bits from those of the plaintiff even though it expressly made and sold the bits for use in the plaintiff's mining machine chain which made the likelihood of confusion more probable. The plaintiff has been injured and damaged by the defendant's said acts of unfair competition and will be further injured and damaged thereby unless said acts are enjoined."

The court also found that the defendant had infringed the plaintiff's trade-marks covering cutting bits with longitudinal side bands.

Based upon its findings and conclusions, the court on December 5, 1942, entered its decree adjudging: (1) that the plaintiff was the owner of Letters Patent No. 1,677,950, issued July 24, 1928; that the defendant had not infringed the patent; and that plaintiff's claim for patent infringement was dismissed; (2) that "the general appearance of plaintiff's cutting bits, as exemplified by figures 1, 2 and 3 in the drawing of said Letters Patent No. 1,677,950, * * * have acquired a secondary meaning in the trade as indicating to purchasers the origin of the bits to be that of the plaintiff"; and that the plaintiff is the exclusive owner of the secondary meaning and "of all the rights at law and in equity accruing thereto; and (3) that the trade-marks illustrated in United States Registration Certificates No. 333,322 and No. 338,952, and attached to plaintiff's cutting

bits, are valid trade-marks; that the plaintiff owns them and "all rights at law and equity accruing thereto"; and that defendant had infringed plaintiff's trade-mark rights and had engaged in unfair competition with plaintiff.

Paragraph 10 of the decree reads as follows:

"10. That a perpetual injunction issue out of and under the seal of this Court, directed to the defendant, the Central Mine Equipment Company, its agents, officers, subsidiaries and those controlled by the defendant or acting under its authority, restraining them and each of them,

"(a) from making and selling or offering to sell and/or distributing cutting bits for use in plaintiff's combination having the general appearance of plaintiff's bits and as exemplified by figures 1, 2 and 3 in the drawing of said Letters Patent No. 1,677,950, by plaintiff's exhibits 3, 4, 7, 8, 10 and 14, and by the drawings of bits shown in exhibits O, Q and R, and any modifications thereof approaching, simulating or approximating the general appearance of the plaintiff's bits, and from using, appropriating and infringing, in any other manner or style, the plaintiff's rights in said secondary meaning.

"(b) from making and selling or offering to sell and/or distributing cutting bits bearing the longitudinal bands, or either of them, illustrated in said U. S. Registration Certificates No. 333,322 and No. 338,952, and any modifications or mutations thereof approaching, simulating or approximating said bands; and from using, appropriating and infringing, in any other manner or style the plaintiff's said trade-marks.

All of whom are now and hereby enjoined, restrained and ordered to refrain from committing the foregoing acts."

Paragraph 11 of the decree provided that the plaintiff recover from the defendant the gains and profits which had accrued to the defendant from its infringement of

plaintiff's trade-marks and defendant's unfair competition, together with the damages sustained by the plaintiff; "said actual damages so found to be increased threefold and assessed against the defendant in view of the willful, blatant and deliberate nature of the defendant's acts, * * *." Paragraph 12 referred the case to a master for an accounting of profits, gains and damages. Paragraph 13 ordered the defendant to destroy all labels, cartons and printed matter illustrating its accused cutting bits, and to junk or sell for scrap such bits in its possession or under its control. Costs of suit were assessed against the defendant. The court reserved jurisdiction to make further orders to effectuate its decree.

The defendant did not appeal from the decree. After the time to appeal had expired, the parties entered into a stipulation, which was filed January 19, 1943.

They agreed: (1) that the reference of the case to a master be set aside; (2) that a judgment for $7,000 be entered against the defendant in full satisfaction of paragraph 11 of the decree providing for the recovery by plaintiff of defendant's gains and profits and plaintiff's damages; (3) that paragraph 13 of the decree, relating to the destruction of accused bits, etc., in the possession of the defendant, having been complied with, be set aside; (4) that all costs of suit be assessed against the defendant; and (5) "That in all other respects, not herein otherwise provided for, the said decree of December 5, 1942, shall be and remain unchanged and shall have full force and effect as a final decree in this cause."

On the day the stipulation was filed (January 19, 1943), the District Court entered a supplemental decree amending the original decree in exact conformity with the stipulation.

The situation then was, in substance, as follows: The claim of the plaintiff for infringement of its patent was

dismissed; the claims of the plaintiff for trade-mark infringement and unfair competition were sustained; the issue of damages and of the destruction of accused material was settled; the plaintiff was protected against future unfair competition by the defendant by paragraph 10 (a) of the original decree, and against infringement of plaintiff's trade-marks by paragraph 10 (b). The injunctive relief granted in paragraph 10 of the decree was not subject to impeachment in its application to the conditions existing at the time it was granted. **United States v. Swift & Co.**, 286 U. S. 106, 119.

Notwithstanding the stipulation that, except as therein provided, the decree of December 5, 1942, should remain unchanged and should constitute the final decree in the case, the defendant on January 8, 1953, filed a motion for modification of the decree of December 5, 1942 (as amended January 19, 1943), "by vacating that portion of the injunction restraining Defendant from making, selling, offering to sell and/or distributing cutting bits having the general appearance exemplified by Figures 1, 2 and 3 in the drawing of Patent No. 1,677,950."

In its motion the defendant asserted that since the date of the entry of the injunction there have been such changes in circumstances as to render the injunction inequitable and contrary to public policy; that the conduct of the plaintiff since the injunction was issued has, in legal effect, abrogated whatever secondary meaning had attached to the configuration of the cutting bits shown in the drawing of the patent in that the plaintiff has ceased to make and sell bits of that appearance and "now publicly proclaims that its bits are known by flat side bands on opposite sides of the bit"; that Patent No. 1,677,950 has expired; that every member of the public should be entitled to make and sell every element of the combination claimed in the patent, including the bits, and that the plaintiff, by the terms of the injunction, is enjoying an extension of its

patent monopoly. The defendant filed affidavits in support of its motion, showing: (1) that the bit receiving cavity in the bit holder of plaintiff's cutting chain determines the shape of bits which will work therein; that, as a result, the general shape and appearance of bits usable in the bit holder of the plaintiff's cutting chain, as that holder is presently constructed, is necessarily the same as that of the bit shown in the drawing of Letters Patent No. 1,677,950; (2) that there is a demand in the mining industry for cutting bits adapted to fit the bit holders manufactured by plaintiff, and, as a result, the plaintiff has been able to obtain a higher price for its cutting bits than is warranted, and to obtain substantially higher profits than those of its competitors, and that the defendant can make and sell such bits at a substantially lower price than the current price charged by the plaintiff for its bits; (3) that the cutting bits being made and sold by plaintiff are shown in an advertising folder of the plaintiff which discloses no bit of exactly the same shape as that shown in the patent drawing.

The bit shown in the drawing of the patent "is rhomboidal in side view and in cross section is of a flat diamond shape." It is referred to in the record as being of a true or pure diamond shape. From the evidence adduced at the hearing on the defendant's motion, it appeared that the plaintiff started the manufacture of the so-called true diamond-shape bit in 1926, that it continued the manufacture of that bit until 1941 or thereabouts, and that it started making bits with flat bands on the sides during 1935 and 1936.

We gather from the record that the accused bit made and sold by the defendant from December, 1937, until December 5, 1942, was a bit with side bands and was a slavish copy of a similar bit made and sold by the plaintiff; that the bit the defendant now proposes to make and sell,

in competition with the plaintiff, is a bit of the true diamond shape, which has no side bands, but which will fit the bit holder of the plaintiff's cutting chain, and is the type of bit shown in the drawing of the plaintiff's expired patent, a type of bit which the plaintiff no longer makes and sells.

The problem with which the lower court was confronted was whether changes had occurred since the entry of its decree that would reasonably require a modification of the injunction—changes so important "that dangers, once substantial, have become attenuated to a shadow." **United States v. Swift & Co.**, supra, page 119 of 286 U. S. The District Court first resolved the problem in favor of the plaintiff, and on June 22, 1953, denied the defendant's motion to modify the injunction, but, upon reconsideration, on September 30, 1953, granted the defendant's motion and modified the injunction by eliminating that portion of it which restrained the defendant from making and selling cutting bits having the general appearance of plaintiff's bits as exemplified by the drawing of the patent originally in suit. This modification of the injunction was supported by findings and conclusions determining that plaintiff had discontinued the manufacture and sale of bits of the so-called "pure diamond" or "true diamond" shape as shown in Patent No. 1,677,950; that that patent had expired and its subject matter was public property; and that "defendant, as a member of the public, is entitled to make, use and sell the same."

Since the District Court had originally determined that the plaintiff's patent did not cover its cutting bits and that the defendant had not infringed the plaintiff's patent rights, the expiration of the patent was clearly not a changed circumstance justifying the modification of so much of the decree as was intended to protect the plaintiff against a recurrence of defendant's "willful, blatant and deliberate" unfair competition.

The question then arises whether the discontinuance by the plaintiff of the making and marketing of cutting bits having the so-called "true or pure" diamond shape would justify the modification of the injunction. It is, perhaps, true that those skilled in the art of making cutting bits and familiar with plaintiff's commercial line of bits would know that a "true or pure" diamond-shaped bit was not one made by the plaintiff. However, it seems apparent that to an unskilled purchaser of bits to be used in connection with the plaintiff's cutting chain, all bits which were adapted to fit the bit holders of the chain would be virtually indistinguishable with respect to their origin because of comparatively slight differences in shape. Having the same general appearance, being designed for use in the plaintiff's cutting chain, and doing the same work in the same way, the cutting bits of the plaintiff and those the defendant proposes to make and sell reasonably may be regarded as equivalents. The so-called "true or pure" diamond-shaped bit, we think, is as susceptible of being used in unfair competition with the plaintiff as the cutting bits with side bands. That being so, we are of the opinion that the fact that the discontinuance by the plaintiff of the making of the true diamond-shaped bit, standing alone, was not a circumstance justifying the modification of the injunction.

Had the defendant shown that it proposed to make and sell bits so plainly marked to indicate their origin that purchasers would know them to be bits made by the defendant and could not mistake them for bits made by the plaintiff, a different situation would be presented. We go no further than to say that, upon the showing made by the defendant in support of its motion, it was not entitled to the modification prayed for and granted.

We do not question the power of a District Court to modify an injunction such as that in suit to meet significant changes in conditions not foreseeable at the time the in-

junction was granted. Any doubt as to that was put at rest by the Supreme Court in the case of **United States v. Swift & Co.**, supra, page 114 of 286 U. S. See, also, **Coca-Cola Co. v. Standard Bottling Co.**, 10 Cir., 138 F. 2d 788, 789, in which case, although a modification of a consent decree granting an injunction was affirmed, "The modified decree specifically provided that neither the trademark, name, label, color scheme of the labels, appearance of the bottles, containers or advertising matter of appellee should be deceptively similar to those of the appellant," page 789 of 138 F. 2d.

Our conclusion is that the order appealed from should be vacated, but without prejudice to the power of the District Court hereafter to modify its injunction if the defendant shall show that it can and will market the bits its proposes to make and sell in competition with the plaintiff so marked as to eliminate all danger of the deception of purchasers and the infringement of plaintiff's trade-mark rights. It is so ordered.

A true copy.

Attest:

Clerk, U. S. Court of Appeals, Eighth Circuit.

APPENDIX B.

In the United States District Court for the Eastern Division of the Eastern Judicial District of Missouri.

The Bowdil Company, Plaintiff, vs. Central Mine Equipment Company, Defendant.	}	Civil Action No. 348.

The Court having before it the defendant's motion for new trial or rehearing on said defendant's motion to modify injunction, and having examined said motion, studied the briefs, and being fully advised in the premises, the Court, upon reconsideration, hereby sustains said motion and enters Findings of Fact, Conclusions of Law and Order as follows:

Findings of Fact.

(Filed September 30, 1953.)

1. That Plaintiff has discontinued the manufacture and sale of bits of the so-called "pure diamond" or "true diamond" shape as shown in United States patent No. 1,677,950, and exemplified by Exhibit 4.

2. That United States patent No. 1,677,950, under which Plaintiff marketed structures including bits during the life thereof, has expired since the entry of the final Decree herein.

Conclusions of Law.

(Filed September 30, 1953.)

1. That the subject-matter disclosed in Plaintiff's now-expired United States Patent No. 1,677,950 is public prop-

erty, and Defendant, as a member of the public, is entitled to make, use and sell the same.

2. That Defendant is entitled to a modification of the injunction ordered by the Decree entered herein on December 5, 1942 (incorporated by reference in the final Decree entered January 19, 1943), to the extent that sub-paragraph (a) of paragraph 10 be stricken therefrom.

Order.

(Filed September 30, 1953.)

The Court, having before it the motion of defendant for Modification of Injunction and having examined said motion and exhibits, and heard the testimony and studied the briefs, and being fully advised in the premises, It Is Hereby Ordered, that the Injunction set out in paragraph 10 of the Decree of this Court entered December 5, 1942 (incorporated by reference in the final Decree entered January 19, 1943), be, and it is hereby modified by striking therefrom sub-paragraph (a) thereof, reading as follows:

> "from making and selling or offering to sell and/or distributing cutting bits for use in plaintiff's combination having the general appearance of plaintiff's bits and as exemplified by figures 1, 2 and 3 in the drawing of said Letters Patent No. 1,677,950, by plaintiff's exhibits 3, 4, 7, 8, 10 and 14, and by the drawings of bits shown as exhibits O, Q and R, and any modifications thereof approaching, simulating or approximating the general appearance of the plaintiff's bits, and from using, appropriating and infringing, in any other manner or style, the plaintiff's rights in said secondary meaning."

without however affecting sub-paragraph (b) thereof which reads as follows:

"from making and selling or offering to sell and/or distributing cutting bits bearing the longitudinal bands, or either of them, illustrated in said U. S. Registration Certificates No. 333,322 and No. 338,952, and any modifications or mutations thereof approaching, simulating, or approximating said bands; and from using, appropriating and infringing, in any other manner or style, the plaintiff's said trademarks."

Dated this 30th day of September, 1953.

(Signed) Geo. H. Moore,
United States District Judge.

APPENDIX C.

Excerpts From Opinion of Supreme Court in Scott Paper Co. v. Marcalus Co., 326 U. S. 249, 255-7.

The enactment of these provisions is the mode by which Congress has chosen to carry into effect the policy sanctioned by the Constitution, Article I, § 8, Cl. 8 "To promote the Progress of Science and useful Arts, by securing for limited Times to . . . Inventors the exclusive Right to their . . . Discoveries." The nature and extent of the legal consequences of the expiration of a patent are federal questions, the answers to which are to be derived from the patent laws and the policies which they adopt. Cf. **Sola Electric Co. v. Jefferson Co.**, 317 U. S. 173, 176; **Steele v. L. & N. R. Co.**, 323 U. S. 192, 204, and cases cited. By the patent laws Congress has given to the inventor opportunity to secure the material rewards for his invention for a limited time, on condition that he make full disclosure for the benefit of the public of the manner of making and using the invention, and that upon the expiration of the patent the public be left free to use the invention. See **Special Equipment Co. v. Coe**, 324 U. S. 370, 378. As has been many times pointed out, the means adopted by Congress of promoting the progress of science and the arts is the limited grant of the patent monopoly in return for the full disclosure of the patented invention and its dedication to the public on the expiration of the patent. **Grant v. Raymond**, 6 Pet. 218, 241-242; **Gill v. Wells**, 22 Wall. 1; **Bauer v. O'Donnell**, 229 U. S. 1; **Motion Picture Co. v. Universal Film Co.**, 243 U. S. 502, 510-511, and cases cited.

The aim of the patent laws is not only that members of the public shall be free to manufacture the product or employ the process disclosed by the expired patent, but also that the consuming public at large shall receive the

benefits of the unrestricted exploitation, by others, of its disclosures. **Kellogg Co. v. National Biscuit Co.**, 305 U. S. 111, 117-120. If a manufacturer or user could restrict himself, by express contract, or by any action which would give rise to an "estoppel," from using the invention of an expired patent, he would deprive himself and the consuming public of the advantage to be derived from his free use of the disclosures. The public has invested in such free use by the grant of a monopoly to the patentee for a limited time. Hence any attempted reservation or continuation in the patentee or those claiming under him of the patent monopoly, after the patent expires, whatever the legal device employed, runs counter to the policy and purpose of the patent laws. And for the same reason a stranger, such as respondent Marcalus, cannot, by securing and assigning a patent on the invention of the expired Inman patent, confer on petitioner any right to deprive the public of the benefits of the free use of the invention for which the public has paid by the grant of a limited monopoly.

By the force of the patent laws not only is the invention of a patent dedicated to the public upon its expiration, but the public thereby becomes entitled to share in the good will which the patentee has built up in the patented article or product through the enjoyment of his patent monopoly. Hence we have held that the patentee may not exclude the public from participating in that good will or secure, to any extent, a continuation of his monopoly by resorting to the trademark law and registering as a trademark any particular descriptive matter appearing in the specifications, drawings or claims of the expired patent, whether or not such matter describes essential elements of the invention or claims. **Kellogg Co. v. National Biscuit Co.**, supra, 117-120; **Singer Manufacturing Co. v. June Manufacturing Co.**, 163 U. S. 169, 185.

It is thus apparent that the patent laws preclude the patentee of an expired patent and all others including petitioner from recapturing any part of the former patent monopoly; for those laws dedicate to all the public the ideas and inventions embodied in an expired patent. They do not contemplate that anyone by contract or any form of private arrangement may withhold from the public the use of an invention for which the public has paid by its grant of a monopoly and which has been appropriated to the use of all.

Office - Supreme Court, U. S.
FILED
JAN 22 1955
HAROLD B. WILLEY, Clerk

IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1954.

No. 495.

CENTRAL MINE EQUIPMENT COMPANY,
Petitioner,

vs.

THE BOWDIL COMPANY,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Eighth Circuit.

BRIEF FOR RESPONDENT IN OPPOSITION.

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BRIEF FOR RESPONDENT IN OPPOSITION.

OPINION BELOW.

The opinion of the Court of Appeals for the Eighth Circuit is reported in 216 F. 2d 156.

JURISDICTION.

The jurisdictional requisites are adequately set forth in the petition.

QUESTIONS PRESENTED.

1. Are the long established laws relating to unfair competition, trade-marks, fair trade practices, "palming off," fraudulent deception, and other such phases of ethical standards, to be rescinded, annulled and held for naught in all cases in which the instrumentality by which a wrong is committed happens to have been shown in the drawing of an expired patent?

2. Should the holding in a decision of this Court which removed the usual estoppel previously applied to the seller who attempted to destroy that which he had sold when asserted in a case in which a patent owner attempted to invalidate a previously assigned patent showing that the assigned patent was the same as an older expired patent, be expanded and enlarged to remove all other legal requirements for proper conduct in those instances in which the means for carrying out improper conduct is found to be disclosed in an expired patent?

3. Is the fact that a patent showing but not claiming a bit has expired a sufficient change of circumstance to justify the modification of an injunction against unfair competition where the plaintiff has continued to sell bits having the equivalent general appearance of the bits which were the subject of the injunction.

STATEMENT.

On October 26, 1939, the Respondent (hereafter referred to as plaintiff) filed its complaint (R. 1) against Petitioner (hereafter referred to as defendant), charging it (1) with contributory infringement of United States patent No. 1,677,950 by the manufacture and sale of a certain coal mining bit, (2) with infringement of plaintiff's registered trade-marks in applying identifying sidebands constituting

trade-marks to the accused coal mining bits, and (3) with unfair competition in selling coal mining bits simulating the general appearance of plaintiff's bits which had acquired a secondary meaning through long exclusive use (R. 2-4).

After trial of all issues the District Court for the Eastern District of Missouri held for the defendant on the charge of patent infringement on the basis that the patent did not cover the bit, and that the theory of contributory infringemen did not apply (R. 7, 11). The District Court found for the plaintiff on the charges of trade-mark infringement and of unfair competition, adding that the case was a "blatant one of unfair competition," and that defendant's bit is "a slavish copy" of plaintiff's bit (R. 8, 13).

On December 5, 1942, the District Court issued its **original** decree which, under paragraph 10 of the decree, enjoined defendant (a) from making and selling bits having the general appearance of plaintiff's bits which had acquired a secondary meaning, and (b) from infringing plaintiff's registered trade-marks in the sidebands on the bits (R. 18-19). Paragraph 11 of the original decree gave judgment to plaintiff for the profits, gains and advantages received by defendant and for damages sustained by plaintiff, and in view of the nature of defendant's conduct awarded judgment to plaintiff for three times the actual damages sustained (R. 20). Paragraph 12 of the original decree ordered reference to a named Master to ascertain the profits, gains and advantages and to assess the damages (R. 20). Paragraph 13 of the original decree ordered destruction of labels, cartons and printed matter and the junking or scrapping of defendant's bits in its possession or control (R. 20).

On January 19, 1943, about six weeks after the entry of the original decree and after the period of appeal had

lapsed, the parties entered into a stipulation (R. 21). This stipulation agreed to a modification of the original decree in several respects and included a setting aside of the reference to a Master, a setting aside of the order for junking and scrapping defendant's bits, and an agreement for the payment of Seven Thousand Dollars by defendant to plaintiff in lieu of the profits, gains and advantages and trebled damages as ordered in paragraph 11 of the original decree (R. 22).

On the same day, January 19, 1943, the District Court entered a second or modified decree ordering the same changes that had been set forth in the stipulation between the parties (R. 23).

Both the stipulation of January 19, 1943, and the second decree of January 19, 1943, included the following as a closing paragraph:

> "That **in all other respects**, not herein otherwise provided for, the said decree of December 5, 1942, shall be and remain **unchanged** and shall have full force and effect as a **final** decree in this cause." (Emphasis supplied.) (R. 22, 24.)

On January 8, 1953, the defendant filed a motion for modification of the injunction contained in paragraph 10 of the original decree of December 5, 1942, as incorporated in and confirmed in the second decree of January 19, 1943 (R. 24). This motion asked to have removed from the injunction that portion prohibiting defendant from copying the general appearance of plaintiff's bits which had acquired a secondary meaning, or in other words, the cancellation of clause (a) of paragraph 10 and leaving only clause (b) of the paragraph, thus removing the injunction against unfair competition (R. 24-26). In support of its motion the defendant contended that the circumstances had changed in that patent No. 1,677,950 (subject of the patent infringement action in the original suit) showing

a coal mining bit (R. 30) had expired and that plaintiff was no longer making that precise bit (R. 35). The plaintiff countered that the expiration of the patent was not a change in circumstances because the patent had never covered the bit as had been decided by the court (R. 16); that the plaintiff was still making and selling bits, having the general appearance that had the secondary meaning and subject of the injunction (R. 31, 36), and that the defendant's past conduct had been demonstrated at trial to be that it was not to be entrusted with discretion in finely distinguishing what was proper and what was not proper in competitive manufacture and sale.

On June 22, 1953, the District Court denied the defendant's motion for modification of the injunction (R. 34).

On July 2, 1953, the defendant filed a motion for new trial or rehearing on its motion to modify the injunction (R. 35).

On September 30, 1953, the District Court (R. 4) reversed its prior position and granted the defendant's motion to modify the injunction and ordered stricken from paragraph 10 of the original decree of December 5, 1942, all of clause (a) which had enjoined the unfair competition of defendant in copying the **general appearance** of plaintiff's bits which had acquired a secondary meaning (R. 42-43).

On October 29, 1954, the Court of Appeals for the Eighth Circuit reversed the judgment of the District Court, because defendant's evidence did not show that it intended to mark the bits manufactured by it in such a way as to eliminate all danger of "the deception of purchasers and the infringement of plaintiff's trade-mark rights" (216 F. 2d 161) (appendix A of petitioner's brief, page 22).

ARGUMENT.

I.

The Decision of the Court of Appeals for the Eighth Circuit Is Not in Conflict With the Applicable Decisions of This Court and Particularly Is Not in Conflict With the Holding of Law Made in Scott Paper Co. v. Marcalus Mfg. Co., 326 U. S. 249.

In the decision of **Scott Paper Co. v. Marcalus Mfg. Co.**, 326 U. S. 249, the Court was faced with the situation in which the assignor of a patent, when sued for infringement of the assigned patent, attempted to show that the assigned patent was anticipated by an earlier expired patent and that therefore by following the teaching of the expired patent he could not be held for infringing the assigned patent.

The District Court had held the assignor to be estopped to show invalidity of the assigned patent. The Third Circuit Court of Appeals to the contrary had held that the prior art could be asserted by the assignor to limit the scope of the assigned patent to zero. This Court affirmed the Court of Appeals on the grounds that the usual and long accepted estoppel preventing an assignor to invalidate the assigned patent would not be applied if the prior art asserted as anticipation of the assigned patent consisted of an expired patent.

Therefore, the holding of the **decision** in the case of **Scott Paper Co. v. Marcalus Mfg. Co.**, 326 U. S. 249, is that the assignor of a patent may prevail in a suit brought against him for infringement of the patent he had assigned by showing that the invention of the assigned patent was the subject of an expired patent. In other words, if the prior art which anticipates an infringed patent consists of an expired patent, then there is not ap-

plied the estoppel which otherwise would bar an assignor of the infringed patent from setting up the prior art to invalidate the infringed patent.

The Petitioner complains that the holding of law in **Scott Paper Co.** has not been expanded and enlarged to rescind, annul and cancel the laws of unfair competition, trademarks, fair trade practices, "palming off", fraudulent deception in sale of goods, and other such phases of ethical standards. There was **not involved** in **Scott Paper Co.** any point involving unfair competition, trade marks, fair trade practices, "palming off", or fraudulent deception in sale of goods. The only phase of ethical standards involved in that decision was the conduct of an assignor of a patent who, when sued for infringement of the assigned patent, found and set up in defense of the suit prior art consisting of an expired patent.

Petitioner also contends that the opinion of the Court of Appeals probably conflicts with **Kellogg Co. v. National Biscuit Co.**, 305 U. S. 91, and **Singer Mfg. Co. v. June Mfg. Co.**, 163 U. S. 169. An analysis of these cases shows the utter fallacy of all of the arguments advanced by petitioner. In the case at bar an expired patent was not involved but in those cases the question was the rights of the patentee after expiration of the patent. In both of those cases the court recognized that the holder of a patent may acquire a secondary meaning in some of his patent rights so that a person making use of the patent after the expiration thereof may have to distinguish between his article and the article of the patentee.

In **Singer Mfg. Co. v. June Mfg. Co.**, supra, this court said:

> "To say that a person who has manufactured machines under a patented monopoly can acquire no good will, by the excellence of his work or the development of his business during the patent, would be

to seriously ignore rights of private property, and would be against the public policy, since it would deprive the one enjoying the patent of all incentive to make a machine of a good quality, because at its termination all the reputation or good will resulting from meritorious work would be subject to appropriation by everyone. On the other hand, **to compel the one who uses the name after the expiration of the patent to indicate that the articles are made by himself in no way impairs the right of use, but simply regulates and prevents wrong to individuals and injury to the public.**" (Emphasis supplied.)

Cf. **Bayer Co., Inc., v. United Drug Co.**, 272 Fed. 505 (D. C. S. D. N. Y., 1921).

In the recent case of **Detroit Stamping Co. v. West Point Mfg. Co.**, 122 Fed. Supp. 741 (U. S. D. C. E. D. Mich., S. D., 1954), the court pointed out the distinction which we are making in the following language (122 Fed. Supp. 743):

"* * * but even in the Kellogg case, supra, and in the recent case of Shredded Wheat Co. v. Humphrey Cornell Co., 2 Cir., 250 F. 960, it was held that where the patented article

"(1) has attained a secondary meaning, as is admitted here; and

"(2) is such a device as can be made in a slightly different form while utilizing all patented parts, the law requires the second comer (defendant) to distinguish its article from that of the first comer (plaintiff) to the extent that the public will not be misled or confused."

There can be no "conflict" with a decision unless there is a ruling contrary to the holding of law in such decision. There has been no conflict here with the decisions of this Court.

II.

The Courts Below and Administrative Officers Are Correct in Not Ignoring Established Law Governing Proper Conduct and Fair Practices in Trade and in Not Enlarging or Expanding the Holding in Scott Paper Co. v. Marcalus Mfg. Co., 326 U. S. 249.

In a few cases, there has arisen the question of maintaining the long established law governing proper conduct and fair practices in trade although the subject matter of an expired patent was involved. In these cases, the instrument or means by which improper conduct or unfair trade practices were or might be carried on happened to be found disclosed in an expired patent, as distinct from old publications, old unexpired patents, or other forms of knowledge. The mere fact that the instrumentality or means for wrongdoing happened by chance to be shown in an expired patent did not give sanctity to that instrumentality or means and did not waive all requirements for proper, fair and equitable conduct by those using such instrument or means.

The District Court for the Eastern District of Michigan in **Detroit Stamping Co. v. West Point Mfg. Co.**, 122 Fed. Sup. 741, 102 U. S. P. Q. 116 (1954), declined to approve and sanction an unconscionable instance of unfair competition, in keeping with his concept of the duties of a Chancellor in Equity, in a case in which he observed (122 Fed. Supp. 743):

> "While we are aware of the danger inherent in giving protection to a trade mark or against unfair competition as a possible means of continuing the patent rights beyond the monopoly provided, this is not such a case. Defendant may use all the patented features of the expired patent—if it does so fairly, but we have seldom seen a more flagrant abuse of at least the

equitable rights of a patentee than the defendant proposes should receive the blessing of this court. It is still actionable unfair competition to unnecessarily copy non-functional parts of any article or device which gave essence to a general appearance identifying and distinguishing that particular product as associated with a manufacturer whose reputation is of great importance in securing sales."

In **S. J. Charia & Co. v. United States**, 103 U. S. P. Q. 252, Customs Decision 1642 (Customs Court 1954), an order made under the provisions of the Tariff Act, barred the importation of certain cigar lighters as (a) unfairly simulating the general appearance of a certain lighter of domestic manufacture and (b) infringing a United States patent on the domestic lighter. After the patent on the lighter expired, an attack was made on the validity of the order in barring importation of the lighters on the remaining grounds of unfair competition because the lighter had been covered by the expired patent. It was held by the Customs Court that the order was still valid and the importation properly barred. Unfair competition found present by the Tariff Commission and prohibited by a Presidential Order was still recognized to be improper conduct. It was held that the law had not been rendered impotent to provide protection from such conduct. The Court properly continued the bar against such unfair competition even though the cigar lighter by means of which such unfair competition had been conducted was shown in an expired patent. It was noted by the Court:

"In the case at bar Congress has placed limitations upon the privilege of importing certain articles. If the act of importation violates the unfair competition provisions of section 337, supra, said articles may be excluded from entry.

* * * * * * *

"It is the considered opinion of the court that plaintiff's second contention 'that the President has attempted by illegal and improper means to remove time limitations from the life of a patent . . .' is without merit."

In **Ex parte Caron Corp.**, 100 U. S. P. Q. 356, 44 T. M. Rep. 336 (Com. Pat. 1954), the question was presented to the Assistant Commissioner of Patents, in charge of the Trademark Division, to decide whether or not the configuration of a perfume bottle otherwise eligible under the law for registration on the Supplemental Trademark Register, was barred from registration merely because the bottle was the subject of an expired design patent. In an opinion demonstrating a masterly analysis of the law, she held that the bottle configuration was registrable as a trademark under the statute permitting the same even though the bottle was shown in an expired design patent. She observed in her opinion:

"The function of a design patent is to protect the patentee in his right to exclude others from making, using or selling the article.

"The function of a trade mark is to indicate origin of goods—to identify and distinguish the goods of one person from those of another.

"The purpose underlying the protection of patented designs is to grant exclusivity of the design of the article to the patentee for a term of years as reward for his ultimate contribution to the public of something new, original and ornamental. The patent affords protection to the design itself.

"The purposes underlying the protection of trade marks are: (1) recognition of the right of potential purchasers to get that which they ask for and want to get without being confused, deceived, or mistaken as to the source of goods, anonymous though that source

may be; and (2) recognition of the right of the owner of a mark to be protected in his investment of time, energy and money in presenting his product to the public under the mark. The trade mark affords protection to the good will of the product and of the business symbolized by the mark.

"It is apparent from the foregoing that the functions of design patents and trade marks and the purposes underlying their protection are different; and the protection accorded a trade mark cannot, in any real sense, be considered an extension of the protection accorded a patented design.

* * * * * * *

"The isuance of a Supplemental registration to this applicant would not offer any protection to the design as such, but it would merely be a recognition that the design is capable of indicating origin; and if, in fact, it does so, then any use by another which results in confusion, mistake or deception of the public would, under the case law, be likely to be enjoined.

* * * * * * *

"Designs which are not patentable because they are not new, and designs which were never patented are in the public domain. There seems to be no question but that such designs may, through use, come to identify a given trader's product, and in such cases they are entitled to protection from another's use which creates confusion. There also seems to be no question but that they are registrable under Section 23 of the Trade Mark Act of 1946. Designs which are the subject of an expired design patent are also in the public domain. No reason is seen why this category of 'public domain design' is in a position different from the other. In other words, it is my opinion that the

> design of an article which was once the subject of a patent is in the public domain to the same extent and in the same manner as if it had not been patented or had not been patentable; and the rights of the public to use such an article are as great as, but no greater than, its rights in an unpatented or unpatentable design."

It appears from the above decisions that the Court of Appeals for the Eighth Circuit is not the only tribunal that has not divorced from the law all recognized ethical standards of conduct in those cases in which it so happens that an expired patent shows the object which provides the vehicle for unfair trade practices or other unethical conduct. The law of unfair competition and other legal requirements of a minimum level of moral behavior in trade and commerce have not been rescinded, canceled or annulled in those cases in which a defendant has been able to find an expired patent which shows the object by means of which he was able to carry on his improper conduct.

Were one to project to its logical conclusion the apparent argument of Petitioner that no limit or restriction can be placed upon the right to use anything shown in an expired patent, then one charged with the unlawful use of a gun should be excused if the gun can be shown in an expired patent, or one accused of fraudulently selling an article through misrepresentations of title or of other material fact should be acquitted if the article is disclosed in an expired patent, or one shown to have been guilty of willful, blatent and deliberate unfair competition in making and selling slavish copies of articles that had acquired a secondary meaning through long and exclusive use in trade, **as Petitioner has been found guilty in this case**, should be forgiven and allowed to resume such conduct!

The disclosure of an article in an expired patent does not envelop that article with sanctity nor provide immunity to those who use that article to inflict wrongs upon others. Wrongs that are forbidden under law when committed with articles not the subject of expired patents are still wrongs under the law when committed with articles disclosed in expired patents. All the laws governing ethical standards of behavior in commercial transactions, all the laws providing a minimum of moral conduct in trade, and all the laws giving some measure of protection against unscrupulous and unconscionable conduct in the marketplace, were not repealed by the decision of **Scott Paper Co. v. Marcalus Mfg. Co.**, 326 U. S. 249, and that decision should not be interpreted as doing so.

III.

It Has Been Found as a Fact That There Has Occurred No Change in Circumstances as to Warrant the Modification of the Decree Enjoining Defendant From Unfair Competition.

Although the plaintiff does not make the so-called "true diamond" bit, it has continued to make bits having the same "general appearance." These bits which plaintiff has continued to make were physically before both the Courts below for inspection and comparison. Some of them have a "diamond" cross-section but with side bands and others have a slightly distorted "diamond" cross-section.

Although the District Court found that the plaintiff was not now making bits having a so-called "pure diamond" or "true diamond" cross-section (Findings of Fact No. 1, R. 42), it did not find or determine that the bits that plaintiff has continued to sell do not have the same "general appearance" of those bits of "pure diamond" or "true diamond" cross-section.

The Court of Appeals found that the bits being made by the plaintiff in fact had the equivalent "general appearance" of those bits, its opinion stating:

> "Having the same general appearance, being designed for use in the plaintiff's cutting chain, and doing the same work in the same way, the cutting bits of the plaintiff and those the defendant proposes to make and sell reasonably may be regarded as equivalents. The so-called 'true or pure' diamond-shaped bit, we think, is as susceptible of being used in unfair competition with the plaintiff as the cutting bits with side bands. That being so, we are of the opinion that the fact that the discontinuance by the plaintiff of the making of the true diamond-shaped bit, standing alone, was not a circumstance justifying the modification of the injunction." (216 F. 2d 160, Petitioner's Brief, Appendix A, page 21.)

There has therefore been no abandonment by plaintiff of the "general appearance" having a secondary meaning in bits sold by plaintiff. In respect to plaintiff's trademark rights, there has been no change in circumstances as would warrant a modification of the decree.

The expiration of the patent which showed the coal mining bit as a figure in the drawing was not a change in circumstance so far as patent protection is concerned. The District Court after the trial held that the patent did not cover the bit (R. 11). The bit was therefore unpatented and its disclosure in the patent was no more significant than if it had been illustrated in an old book. The patent's expiration did not affect the bit.

As found by the Court of Appeals, there was no change of circumstances that would warrant the modification of the injunction against unfair competition under the strict standards of **United States v. Swift & Co.**, 286 U. S. 106.

IV.

There Is No Basis in the Record of This Case for Inventing a New "Misuse of Trademarks Doctrine" as Proposed by Petitioner.

The Petitioner under part IV of its argument seems to urge that in this case the Court should evolve a "misuse of trademarks doctrine" upon the basis of a partial quote from a proffert (R. 33). The difficulties facing the Petitioner in trying to make a point for its "misuse of trademarks" argument include the fact that there is **no evidence of record** showing any agreement whatever between the parties relating to the coal mining bit business.

On page 11 of the Petition, there is a small quotation "to get out of the coal mining bit business and to stay out," which is taken completely out of context to provide a misleading impression. Even so, this is not a quotation of testimony but is a quotation from a long proffert made by plaintiff's counsel after the defendant's objection to proffered testimony was sustained by the District Court. The defendant emphasized the fact that the proffert was not evidence in the case by moving to strike the proffert from the record before the Court of Appeals (R. 127).

The decisions of the Court of Appeals did not refer to the proffert nor was its decision based in any manner upon the subject of the proffert.

Although an explanation of the entire proffert could now be made, it should not be necessary because there is **no evidence** in the record upon any alleged agreement and because the Court of Appeals did not base its decision upon any alleged agreement nor upon the proffert. It would seem idle to speculate as to how there might be "misuse of trademarks" through an agreement to monop-

olize trade when there is not even any evidence of any agreement on any subject.

The Court of Appeals did not have the question before it nor does the record bring the question before this Court. There is no basis for the point the Petitioner is attempting to make.

V.

Certiorari Will Not Be Granted for the Purpose of Reviewing Evidence.

Petitioner in this case is seeking to induce this Court to grant certiorari for the purpose of reviewing the evidence and reaching a result contrary to the result reached by the Court of Appeals for the 8th Circuit. It has long been the established rule of this Court to refuse certiorari in such instances. In **U. S. of America v. Johnston**, 268 U. S. 220, Justice Holmes, speaking for this Court, stated the rule as follows:

> "We do not grant a certiorari to review evidence and discuss specific facts."

In **General Talking Pictures Corp. v. Western Electric**, 304 U. S. 175, the court said:

> "Granting of the writ would not be warranted merely to review the evidence or inferences drawn from it."

Since petitioner's complaint is the inferences drawn from the evidence in this case, certiorari should be denied.

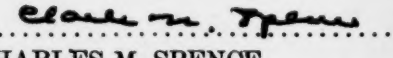
VI.

CONCLUSION.

By reason of the foregoing, it is submitted that the petition of a writ of certiorari should be denied.

Respectfully submitted,

BRUCE B. KROST,
960 Union Commerce Building,
Cleveland 14, Ohio,
JOHN O. HICHEW,



CHARLES M. SPENCE,
705 Olive Street,
St. Louis 1, Missouri,
Attorneys for Respondent.

Dated this 21st day of January, 1955.

IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1954.

No. 495.

CENTRAL MINE EQUIPMENT COMPANY,
Petitioner,

v.

THE BOWDIL COMPANY,
Respondent.

PETITIONER'S REPLY BRIEF.

To the Honorable, the Chief Justice and the Associate Justices of the Supreme Court of the United States:

FURTHER STATEMENT.

In view of Respondent's Statement, some factual aspects of the case need further clarification.

1. The so-called "slavish copy" which Petitioner was making prior to the entry of the original decree on December 5, 1942, was not the "true diamond" shape, shown in

the now-expired patent, and as to which Petitioner prays relief from the injunction. On the contrary, the "slavish copy" was the "regular diamond" shape shown in Respondent's trade-mark Registration No. 338,952 (R. 83). The difference between the two was that the "regular diamond" (or "slavish copy") did, but the "true diamond" (of the patent) did not, have

> "a longitudinal band along the meeting of the side planes of both longitudinal sides" (Reg. 338,952; R. 83).

2. Petitioner's motion of January 8, 1953 (R. 24-26) did not pray for, and Petitioner does not here seek, modification of that part of the injunction [¶ 10-(b); R. 19-20] which concerned the "slavish copy" type of bits (i. e., those having the longitudinal bands). On the contrary, the motion merely sought relief from the injunction to the extent necessary to enable Petitioner to make bits of the "true diamond" shape shown in the expired patent.

The reference to "(R. 107-9)" on page 6 of the Petition should read R. 137-9.

RE RESPONDENT'S ARGUMENT.

I.

Respondent seems to contend that the rulings of law expressed by this Court in Scott Paper Co. v. Marcalus Mfg. Co., 326 U. S. 249, were limited to the facts peculiar to that case. Unless those rulings are of such limited applicability, the present case presents a clear conflict. If the principles there enunciated are not of general applicability, the Court should make itself clear, and allowance of the writ in this case would provide the vehicle for so doing.

Respondent's attempt to distinguish Kellogg Co. v. National Biscuit Co., 305 U. S. 91, and ~~Scott~~ SINGER Mfg. Co. v. June Mfg. Co. 63 U.S.P.Q. 162 is fallacious. It says:

> "In the case at bar an expired patent was not involved but in those cases the question was the rights of the patentee after expiration of the patent" (Brief, p. 7).

But in the case at bar, an expired patent **is now involved.** The question presented here is whether Respondent has the right, after expiration of its patent, to preclude the public, or any member thereof, from full enjoyment of the disclosures of that patent. If the rights of the public depend upon whether an injunction was granted before the expiration of the patent, the instant case presents a question of such novelty that the Court should grant the writ.

II.

Respondent says that the bit here in question just "happened by chance" to be shown in its expired patent. On the contrary, it is evident upon the face of the patent (R. 75-79) that a bit "rhomboidal in side view and in cross

section" is the very essence of the patent. The following paragraph demonstrates that

> "The bit 4 is rhomboidal in side view and in cross section is of a flat diamond shape having its acute angles rounded off, as indicated at 5 and 6, thereby forming cutting points 7 at the diametrically opposed sharper angles of the rhomboid. In actual practice, the bit is so disposed that one cutting point 7 will be projected forwardly and outwardly and thereby properly positioned to penetrate the material upon which the machine is to act, and it will be obvious that, when one point is worn dowa so as to be no longer useful, the bit may be reversed and the opposite sharp point utilized as the cutting instrumentality. The time spent in sharpening bits of the ordinary construction is thus saved and a very substantial reduction in the cost of operation and maintenance is effected. The particular form of the bit shown and described also facilitates economical production. In manufacturing the bits, I provide a long blank which is rolled to the flattened diamond cross section shown in Fig. 3, and this long strip or blank is run through a cutting machine which, at regular intervals, cuts through and across the blank in oblique relation to the side edges thereof so that the blank will be rapidly sub-divided into short sections, each section constituting a finished bit. Obviously, the cost of manufacture by this process is so slight as to be negligible" (R. 77).

That all else is built around the bit thus described is demonstrated by the fact that eleven of the fifteen sentences in the next two paragraphs* of the patent refer to the bit as the referent by which the structure and function of the other parts is dictated.

---

* The only paragraphs descriptive of structure.

Respondent's discussion of the Customs Court's decision in S. J. Charia & Co. v. United States, 103 USPQ 252, mistakenly states* that the cigar lighter in question there "was shown in an expired patent." The Customs Court did not say that. We are informed that the lighter in question, although looking like the Ronson commercial product, did not look like the one "shown in the expired patent." Therein lies an important distinction between that case and this—a distinction which is elaborated upon in the New York case cited and quoted by the Customs Court:

> "If this were a case in which form, shape and appearance were an integral and essential part of the patented article, so that defendants, as members of the public, were legally entitled, not only to make the patented article, but, also, to make it in the form and shape and with the appearance of the article made by the patentee or his assignee, as in the case of the G frame and Singer sewing machines and the pillow-shaped shredded wheat biscuit, then, of course, **the almost exact copying of the form, shape and appearance of plaintiff's lighters would be but the exercise of defendants' legal right, but I think this is not such a case.**" (Ronson Art Metal Works, Inc., v. Gibson Lighter Mfg. Co. et al., 127 N. Y. S. [2d] 786, 99 USPQ 424, 427.) (Emphasis supplied.)

In this case, on the other hand, the rhomboidal form, shape and appearance of the bit is "an integral and essential part of the patented article," as demonstrated by the above quotation from the patent.

Indeed, if, as argued by Respondent, the Charia case dealt with a lighter as "shown in the expired patent", that case is another instance illustrating the need for clarification of the law as prayed in our Petition.

---

* Immediately preceding the quotation at the foot of page 10.

As to Respondent's discussion of ethics and morals (Br. 13-14) suffice it to say that Petitioner seeks nothing more than the right to **compete** fairly with Respondent, while Respondent seemingly wants no competition at all. Petitioner has never sold the "true diamond" bit in competition with Respondent's "regular diamond", and there is no reason to suppose that unfair trade practices will be indulged in.

III.

Respondent's argument, like the opinion of the Court of Appeals, seeks to avoid the devastating effect of the abandonment, inherent in Respondent's discontinuance of the "true diamond" shaped bit shown in the expired patent, by saying that Respondent's present bits (the "regular diamond") have the same "general appearance" as the "true diamond." But this overlooks the fact that **secondary meaning was not found to exist in the "general appearance" of all these bits.** The Finding (No. 13, R. 12) of secondary meaning was limited to

> "**the non-functional features** of bits having the general appearance as exemplified by Figures 1, 2 and 3 in the drawings of said Letters Patent No. 1,677,950." (Emphasis supplied.)

Thus, when the Court of Appeals says, in effect, that it is unfair competition for Petitioner to sell any bit which fits the same bit holder—or any bit which will do the same work in the same way—as the bit of the patent, it is not only broadening the injunction beyond its foundation in adjudged secondary meaning, but is contriving for Respondent the equivalent of a perpetual patent monopoly on the functional features of the bit. This fact alone should induce this Court to review the case in the public interest.

IV.

In reply to Respondent's contention that there is "no evidence of record showing any agreement" about Petitioner getting out and staying out of the coal mining bit business, we would point out that counsel for Respondent thrice admitted to the District Court that there was such an agreement. Once in the offer of proof at page 33 of the record; again at page 86; and again in a brief referred to at page 94. Such an admission against interest requires no further proof.

Respondent mistakenly asserts that the matter of trade-mark misuse was not presented to the Court of Appeals. It was not only covered by our brief, but our Petition for Rehearing specifically charged that Court with having overlooked it (R. 140).

V.

Insofar as Petitioner is concerned, this Court need not consider any of the testimony in the record. Consideration of the Findings of Fact made by the District Court, together with the patent and the trade-mark registrations and Respondent's admissions against interest will be sufficient.

CONCLUSION.

Respondent has not substantially challenged any of the reasons for the allowance of the Writ as stated in the Petition. Specifically, Respondent has not disputed:

> That the decision of the Court of Appeals is in conflict with the legal principles expressed by this Court in Scott Paper Co. v. Marcalus Mfg. Co., 326 U. S. 249; Kellogg Co. v. National Biscuit Co., 305 U. S. 91; Singer Mfg. Co. v. June Mfg. Co., 163 U. S. 169; or

That the question of what showing is required to warrant modification of a perpetual injunction in trade-mark cases has not been settled by this Court; or

That the doctrine of Mercoid Corporation v. Mid-Continent Co., 320 U. S. 661, is equally as applicable to trade-mark as to patent situations.

Respondent nowhere suggests that the questions presented are not of such public importance as to deserve this Court's consideration. It is therefore respectfully submitted that the Writ should be granted.

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Attorney for Petitioner.

JOHN H. BRUNINGA,
Of Counsel.

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1954.

No. 495.

CENTRAL MINE EQUIPMENT COMPANY,
Petitioner,

v.

THE BOWDIL COMPANY,
Respondent.

PETITION FOR REHEARING

Of Petition for Writ of Certiorari.

To The Honorable The Chief Justice, And The Associate Justices of the Supreme Court of the United States.

Now comes Petitioner and prays that the denial of the Writ of Certiorari in this case be reconsidered, and the Writ granted. In support of this petition, Petitioner files the Affidavit of C. T. Moehlmann, appended. The grounds for this Petition for Rehearing are:

I. A substantial ground for the granting of the Writ, not previously presented, is that the remand ordered by the Court of Appeals is in this case a futility; and that

there will be no further proceeding in the District Court which might, at later date, afford this Court an opportunity to review the important questions presented by the Petition for the Writ.

II. An intervening circumstance of controlling importance is the fact that the United States Trade Mark Association has recently said that Ex parte Caron Corporation (in which the Assistant Commissioner of Patents held that what this Court said in Scott Paper Company v. Marcalus Mfg. Co., 326 U. S. 249, was "obiter dictum" and without "binding effect") was the "most significant" Patent Office decision of the year 1954.

III. Another intervening circumstance of controlling importance is the fact that Respondent now seemingly intends to use the decision of the Court of Appeals in an effort to interdict Petitioner's sale of a line of bits which Respondent, prior to the appeal, indicated would be free of the injunction.

IV. Another substantial ground for granting the Writ, not previously presented, is that the judgment of the Court of Appeals denies Petitioner the equal protection of the laws guaranteed by Article XIV of the Constitution.

I.

Review of the record in an effort to divine the reason which impelled this Court to deny the Writ reveals a situation which impresses us, on its face, as having dissuasive portent, but which further explanation will erase. We have reference to the fact that the judgment of the Court of Appeals was a remand—and that this Court does not ordinarily review cases in that posture.

The remand—or more specifically, the vacating by the Court of Appeals of the District Court's order (modifying the old injunction) *without prejudice* to the power of

the District Court to modify the injunction under a specified condition—is, in this case, wholly futile. This, for two reasons:

1. The condition attached to the "without prejudice"—to wit: the marking of each individual bit—is impossible of fulfillment without so running up the cost of manufacturing bits of the configuration shown in Respondent's expired patent that they could not be sold by Petitioner at a price competitive with Respondent's bits. This is explained in our Petition for Rehearing in the Court of Appeals (Section II, R. 137-139), and further explained in the attached Affidavit of C. T. Moehlmann.

2. Petitioner has designed, equipped itself to produce, and is now selling, a line of bits—competitive with Respondent's line—which do not violate the injunction. This line of bits is exemplified by the one pictured at page 134 of the record, and which Respondent has admitted "do not embody the general appearance of the diamond shaped bit" (R. 141; see also R. 142)[1]. These bits are so shaped that they may be individually marked without prohibitive cost, and Petitioner is now doing so. (See Affidavit of Moehlmann attached)

So Petitioner can not be expected, and does not intend, to apply to the District Court for leave to do something which would be more costly than what it is now doing. Thus the controversy about whether Petitioner should or should not be permitted to share the public right to make and sell the "true diamond" shaped bit (shown in Respondent's expired patent) is, *per se*, of no more than academic interest.

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[1]The context at pages 141-142 of the record suggests that the bit shape here referred to was thought up by Respondent, but such is not the case. The attached Affidavit of Moehlmann shows that Petitioner had designed and tested just such a bit before the statements at R. 141-142 were made to the District Court.

Why, then, do we pester this Court about the matter? Simply because the legal doctrine laid down in the decision of the Court of Appeals is of transcendent importance not only to Petitioner, but to all the public—the manufacturing public, and the consuming public as well. That decision—so patently at variance, it seems to us, with what this Court has said and resaid[2]—will, unless reversed, open the gate to luxuriant pasture for those who seek the legal touchstone for monopoly having the scope of a patent, but of perpetual duration. The Court of Appeals has laid down (R. 123) a proposition of law that:

> where a device[3] may be made in two forms (one having the precise shape shown in a plaintiff's expired patent; the other differing therefrom in a little detail on which the plaintiff has registered trade-mark and secondary meaning rights), both forms
>
> "(h)aving the same general appearance, being designed for use in the plaintiff's (machine), and doing the same work in the same way",
>
> the two forms
>
> "may be considered as equivalents"
>
> and sale of the form shown in the expired patent enjoined forever.

---

[2]Singer Mfg. Co. v. June Mfg. Co., 163 U. S. 169; Kellogg Co. v. National Biscuit Co., 305 U. S. 91; Scott Paper Co. v. Marcalus Mfg. Co., 326 U. S. 249.

[3]The District Court made a finding that:

> "11. Said cutting bits have a relatively short life in service and must periodically and frequently be repaired or replaced in order for the mining machine chain to be used during its expected life of service. Owners and users of the chain have the legal right to repair or replace the bits as they wear out" (Record, p. 11).

Whether this Court approves or disapproves of that proposition of law, it should not await another opportunity to say so. Question 1, presented by the Petition (p. 2) herein, affords the Court an opportunity to pass upon that proposition. This Court has never, so far as we can find, sustained a claim of monopoly predicated upon secondary meaning in the physical form of any tangible thing. The vice of such a monopoly is evident when it is realized that secondary meaning rights, like trade-mark rights, go on forever—according to the Court of Appeals in this case, they are not even abandoned by non-use. If jurisprudence has its equivalent to preventive medicine, now is the time to administer it. Otherwise, it may be years before this Court has another opportunity to examine the proposition. In the meantime, it seems reasonable to expect that a veritable epidemic of monopolies, built upon the theory of the Court of Appeals' decision in this case, will have sprung up, and much time of the lower Courts devoted to litigating about it—all of which will be avoided if this Court will pass upon it now.

II.

When it is remembered that the Court of Appeals, in ignoring this Court's pronouncements in Scott Paper Company v. Marcalus Mfg. Co., 326 U. S. 249, has followed the lead of the Assistant Commissioner of Patents in Ex parte Caron Corporation, 100 USPQ 356 (where she said that what this Court had said in Scott v. Marcalus was "obiter dictum" and of no "binding effect"); the public importance of the proposition presented by Question 1 is accented by a bulletin of the United States Trade Mark Association which has come to our attention since the Writ was denied herein. The bulletin is dated December 29, 1954, is entitled "Year End Trademark Report", and says, inter alia:

> "Probably the most significant decision of the Patent Office was the Assistant Commissioner's ruling in Ex Parte **Caron Corporation** (44 TMR 336; 100 USPQ 356)."

That "most significant" decision fixes the policy of the Patent Office about such matters. Ultimately, numerous cases arising out of that policy will, no doubt, burden the Courts unless this Court by reviewing this case settles the matter now.

III.

Despite Respondent's admission before the District Court (R. 141-2) that Petitioner's new line of bits is outside the scope of the injunction, there are now indications that, fortified by the statement of the Court of Appeals (R. 123):

> "all bits which were adapted to fit the bit holders of the chain would be virtually indistinguishable with respect to their origin because of comparatively slight differences in shape";

Respondent may seek to have the District Court extend the injunction so as to interdict Respondent's new line of bits. How else can one explain the statement of the Respondent's representative to Petitioner's customer to the effect that Petitioner will soon be stopped from making the new line of bits, as related in the attached affidavit of Moehlmann. Note also that, since the decision of the Court of Appeals, Respondent's counsel seems disinclined (R. 143-5) to confirm that Petitioner's new line of bits is free of the original injunction.

In order to "fit the bit holders of the chain", the bit must come pretty close to conforming to the shape of the hole in the bit holder. Otherwise it would be like putting a round peg in a square hole. Thus to make a bit which will operate in a given bit holder, one is necessarily con-

fined to what Respondent may choose to call "comparatively slight differences in shape". If the difference between the "true diamond" shaped bit (shown in Respondent's expired patent) and the "regular diamond" shaped bit (shown in Respondent's trade-mark registration) be so "slight" that the respective bits "would be virtually indistinguishable with respect to their origin", that is a weakness of the detail which Respondent has chosen as its trade-mark. Such should logically lead to the conclusion that the "longitudinal band" or stripe (which is the only difference between the "true diamond" and the "regular diamond") does not serve the purpose of a trade-mark because such does not make the bits *distinguishable* "with respect to the origin". But the Court of Appeals, in order to avoid striking down the weak trade-mark, has employed language which Respondent may use as the basis of a contention that all bits which will operate in the bit holders of Respondent's expired patent ought to be perpetually enjoined.

The decision of the Court of Appeals is truly a landmark if, as Respondent's subsequent conduct seems to suggest, it confers upon the Respondent, the right to exclude the public from the sale of anything and everything which serves the same purpose as the bits bearing the "longitudinal band" trade-mark. No Court, insofar as we can find, has ever before so extended a trade-mark right; no Court, insofar as we can find, has ever before applied the doctrine of equivalents to a trade-mark. We confidently believe that this Court does not approve of such a thing. But whether it approves or not, it is important that the views of this Court be made known. No such radical departure from the trend of this Court's decisions in the last seventy-five years should go unreviewed by it.

IV.

If, on the other hand, the decision of the Court of Appeals be construed as investing Respondent with the right to exclude only **one** member of the public—namely, Petitioner—from selling bits which will fit the bit holders of Respondent's expired patent, then a serious Constitutional question is presented because Petitioner is being denied the equal protection of the laws under the **Constitution,** Article XIV. The part of the injunction in question here arises under the law of Unfair Competition. Unfair Competition is controlled by local law (Armstrong Co. v. Nu-Enamel Corp., 305 U. S. 315, 316; Erie R. Co. v. Tompkins, 304 U. S. 64, 78). Hence, Respondent is not entitled to maintain an injunction which results in the imposition of an inequality upon Petitioner.

> "The Constitution confers upon no individual the right to demand action by the State which results in the denial of equal protection of the laws to other individuals" (Shelley v. Kraemer, 334 U. S. 1, 22).

Indeed, in the very denial to Petitioner of the right (enjoyed by all other members of the public) to make the "true diamond" shaped bit shown in Respondent's expired patent, the Court of Appeals has applied the state law of unfair competition in a manner such as to single out Petitioner for unequal treatment, and has therefore denied Petitioner the equal protection of the laws.

WHEREFORE, it is prayed that the Petition for Writ of Certiorari be reconsidered and allowed.

JOHN H. SUTHERLAND,
Attorney for Petitioner.

I hereby certify that this Petition for Rehearing is presented in good faith and not for delay, and that the Petition is restricted to the grounds specified in Rule 58 (2).

JOHN H. SUTHERLAND,
Attorney for Petitioner.

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1954

No. 495

CENTRAL MINE EQUIPMENT COMPANY,
Petitioner,

v.

THE BOWDIL COMPANY,
Respondent.

AFFIDAVIT OF C. T. MOEHLMANN

STATE OF MISSOURI,)
) SS:
CITY OF ST. LOUIS,)

C. T. Moehlmann, being duly sworn, deposes and says that he is Executive Vice-President of Central Mine Equipment Company, Petitioner in the above-entitled cause.

That prior to November, 1953, Central Mine Equipment Company had designed, and tested in a coal mine, bits of the type pictured at page 134 of the record of this case; that after the hearing in the United States District Court at St. Louis on November 20, 1953, John H. Sutherland (counsel for Petitioner) reported to Affiant that counsel for The Bowdil Company had exhibited to the District Court a bit having a cross-section resembling the bit which Affiant's Company had made and tested, and had told the District Court that such a shape could be used by Central Mine Equipment Company without violating the original injunction; that thereupon Affiant proceeded to make

arrangements for the commercial production of such bits, including the placing of an order for steel bar stock of the appropriate cross-section, and equipped his factory to manufacture such bits on a mass production scale; and that since February, 1954, Affiant's Company has been manufacturing such bits on a mass production scale in three different sizes for use in Bowdil cutting chains, and in addition has produced and sold bits for the competitive Joy-Sullivan cutting chain, a Prox-Standard cutting chain, Cincinnati cutting chain and Goodman cutting chain. All such bits are packaged in boxes 7" x 7" x 12", containing five hundred bits each. The boxes bear the name of Central Mine Equipment Company, and the trade-mark "KERFMASTER" written in letters about 3/4" high. Affiant has observed the practice of coal mines in the handling and use of these bits, and has found the uniform practice to be that bits are delivered in such boxes to the workmen who use them in the mine.

Immediately after the decision of the United States Court of Appeals on October 28, 1954, Central Mine Equipment Company made inquiry of its steel bar stock supplier as to whether it would be possible in the rolling of such bar stock to impress the stock with the trade-mark "KERFMASTER", so as to be legible on each bit when the stock was cut up into bit lengths of about one inch, and was advised that such would require making the letters so small that they would be obscured in the rolling process. It was then decided to attempt to roll the abbreviations "K-M" into the steel bar stock, and such has been done. Central Mine Equipment Company has just received a supply of the bar stock with the letters "K-M" rolled into it for one size of its bits, and is now producing bits from such stock so that at least one impression of the "K-M" appears on each bit. The Company has on order

such rolled bar stock (bearing the "K-M" mark) for the other two sizes of its bits.

It is the policy and purpose of Central Mine Equipment Company to do every reasonable thing to avoid the possibility that bits of its manufacture may be confused by anyone with bits manufactured by its competitors, but Affiant is informed and believes that it would not be possible to roll any name or trade-mark into steel bar stock having the so-called "true diamond" cross-section without producing thereon a flat place which would closely resemble, if not duplicate, the so-called "longitudinal band" on bits of the so-called "regular diamond" cross-section. While it is possible to hand mark each individual bit, the cost of so doing would be prohibitive.

Central Mine Equipment Company sells its bits through distributors of mining supplies and equipment, one of which is E & E Mine Equipment Co. at Christopher, Illinois. Customarily, Central Mine Equipment Company receives the orders from its distributors with directions to ship directly to the mine which had ordered the bits from the distributor. One of the coal mines to which Central Mine Equipment Company has shipped bits upon the order of E & E Mine Equipment Co. is Dawson Collieries, Inc., at Dawson Springs, Kentucky, and Central Mine Equipment Company has been shipping such bits to Dawson Collieries, Inc., since September, 1954.

Recently, Affiant was informed by Mr. Gerald Elder, one of the partners in E & E Mine Equipment Co., that Elder had recently had a conversation with Eli Tolley, the purchasing agent of Dawson Collieries, Inc., in which Tolley related to Elder that he had recently been called upon by one Randall Leach, a sales representative of The Bowdil Company, and that Tolley had told Leach that Dawson Collieries, Inc., was obtaining bits from Central

Mine Equipment Company, and that thereupon Mr. Leach had said to Tolley:

> "Central Mine Equipment Company won't be making them much longer."

Affiant asked Mr. Elder to obtain an affidavit about this episode from Tolley, and is informed by Mr. Elder that Elder requested Tolley to make such an affidavit on February 22, 1955, and although, on that occasion, Tolley confirmed the fact of his conversation with Mr. Leach, Tolley declined to make such an affidavit for fear that he might involve his Company. Thereupon, Affiant requested Mr. Elder to make an affidavit about what Tolley had told him, and on February 24, 1955, Affiant went to Christopher, Illinois, in the belief that he might obtain such an affidavit from Mr. Elder, but Mr. Elder declined to sign any written statement concerning the matter for fear, he said, that he might jeopardize his relationship with his customer by so doing.

Sgd. C. T. Moehlmann
C. T. Moehlmann

Sworn to and subscribed before me this 25th day of February, 1955.

My commission expires June 12, 1957.

Sgd. Rose N. Perotti
SEAL Notary Public